Kirklees Local Plan

Technical Paper:
Employment Needs Assessment

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1. Introduction

1.1 The purpose of this paper is to present the evidence to support the objectively assessed jobs need, the employment land required to support the jobs, the supply of and demand for employment land and the assessment of employment sites identified in the draft Local Plan.

1.2 In this exercise, the term ‘employment’ means activities and jobs in any of the following Use Classes (as defined in Appendix 1) which together may be termed business and industry:

- B1 Business
  - B1(a) Offices
  - B1(b) Research and development
  - B1(c) Light industry
- B2 General industry
- B8 Storage and distribution

1.3 To inform the process, the council has undertaken a review to ensure consistency with government guidance contained in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (PPG). In support of this, a number of studies have been undertaken to provide a robust and up to date evidence base to underpin the decisions taken to support the Kirklees economy over the plan period.

2. Policy Context

National Policy

2.1 The National Planning Policy Framework (NPPF) (March 2012) states that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth (paragraph 19). Paragraph 20 continues, that local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. Planning policies should therefore recognise and seek to address potential barriers to investment including a poor environment or any lack of infrastructure, services or housing.

2.2 The NPPF also requires local planning authorities to:

- set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial units within the same unit.

2.3 The NPPF makes it clear that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site coming forward for the allocated employment uses, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land used to support local communities (see paragraph 2.42 Priority Employment Areas and the Priority Employment Area technical paper).

2.4 The NPPF also places a strong focus on supporting a rural economy and states that in order to support a strong rural economy, local and neighbourhood plans should:

- support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well-designed new buildings;
- promote the development and diversification of agricultural and other land-based rural businesses;
- support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the

countryside. This support should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres; and

- promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sport venues, cultural buildings, public houses and places of worship.

2.5 PPG expands upon the NPPF and requires local planning authorities to objectively assess and evidence development needs for economic growth within the functional economic area and undertake assessment of land availability to establish how objectively assessed needs will be met. This work should relate to the functional economic market area.

Leeds City Region strategies

2.6 The Leeds City Region Local Enterprise Partnership (referred to as 'the Leeds LEP') was formed in 2011. The Leeds City Region (LCR) includes the local authority districts of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. The LCR is the largest City Region economy outside London and has the potential to become an economic powerhouse. The Leeds LEP's aim is to overcome barriers to private sector growth and create more opportunities for businesses to develop and provide jobs.

2.7 The Leeds City Region Strategic Economic Plan (SEP) was agreed with Government in July 2014 with the stated ambition to deliver an additional £5.2 billion in economic output and an extra 62,000 jobs in the Leeds City Region by 2021. The plan is to unlock the Leeds City Region's potential, become the growth engine for the north and rebalance the nation. The SEP focuses on the following areas of activity:

- supporting growing businesses;
- developing a skilled and flexible workforce;
- building a resource smart City Region; and
- delivering the infrastructure for growth

2.8 Cooper Bridge is identified as a strategic employment site in Kirklees between Brighouse and Mirfield, close to the M62 (J25) and with a potential focus on manufacturing and engineering.

2.9 Chidswell has also been identified as a strategic employment site in the district and is located between Dewsbury and Batley with good access to the M1 (J40) and the M62 (J28). This is a mixed use site with an employment element focussing on manufacturing and engineering.

2.10 The SEP also indicates that there is strategic investment opportunity at the University of Huddersfield with a proposal to provide incubator and grow on facilities at Globe Mill in Slaithwaite, with support for innovation, mentoring and venture capital to promote growth in the advanced manufacturing sector, to complement the 3M Buckley Innovation Centre in Huddersfield.

2.11 In July 2014, the Leeds LEP agreed a £1bn Local Growth Deal with central government that they state will create tens of thousands of new jobs and accelerate economic growth across the entire City Region. The deal includes:

- £627m between 2015 – 2021 from the government's Local Growth Fund to deliver the economic agenda outlined in the LEP's Strategic Economic Plan – with £73m of new funding confirmed for 2015/16; and
- £420m between 2015 – 2035 to deliver the West Yorkshire plus Transport Fund

Kirklees Corporate Strategies

2.12 Kirklees has produced two strategies to drive forward council ambitions in relation to economic and health and well-being objectives. These are the Kirklees Economic Strategy (KES) and the Health and Well-being Strategy. The strategies have a shared commitment to ensure that Kirklees is a district combining great quality of life and a strong and sustainable economy leading to thriving communities, growing businesses, high prosperity and low inequality and where people enjoy better health throughout their lives.

2.13 The Kirklees Economic Strategy begins with:

"Our vision is for Kirklees to be recognised as the best place to do business in the north of England and one where people prosper and flourish in all of our communities".

2.14 The purpose of this strategy is to create wealth and revenue streams that will enable quality service provision, enhance the district, and help to reduce inequalities into the future.

2.15 The KES sets out five priorities to deliver the vision:

- precision engineering and innovative manufacturing: strength in depth and excellence;
- innovation and enterprising businesses: championing creativity, entrepreneurship and resilience;
- workforce, skills and employment: extending opportunities and powering business success;
- infrastructure: making it easier for businesses to succeed and for people to access work; and
- quality places: locations of choice for people, business and investment.

Kirklees Economic Strategy, Employment, Targets and Sectors

<u>The Employment Target</u>

2.16 The central target within the KES is to achieve an employment rate that is at or around 75% by 2020. This is *a target not a forecast* and is designed to be achievable, but stretching. Its basis is to exceed what would have been delivered by market forces and the macro-economy alone through delivering a package of 'policy on' measures. Hence it is above likely forecasts for employment rate. The basis for choosing 75% is because it is the highest rate Kirklees has had in recent history (around a decade ago) and our ambition should be to achieve similar levels again. Strategic location, assets and major development opportunities will underpin the feasibility of this ambition.

2.17 The trend in Kirklees since peak employment has been broadly downwards, with the district hit harder by recession than many, and recovering at a modest pace. However, the performance of neighbouring areas such as Calderdale with similar assets shows that rapid and impressive increases in employment can be achieved in a short period of time – and well above what would have probably been forecast. For example, Calderdale's employment rate rose from 68.8% in 2010 (slightly below that in Kirklees at the time) to 76.7% in 2014 (compared with 69.2% in Kirklees).

2.18 The target's wording of 'around 75%' is designed to reflect the fact that predicting an exact rate is very difficult. The KES does not define exactly what 'around' means but a rate of 74% or above would probably be seen as meeting this target. It is not necessarily anticipated that straight line employment growth continue to be achieved after the target is hit, with a realistic expectation of some ups and downs over time, but a broad overall trend of improvement.

2.19 It is also important to note the specific aims of reducing youth unemployment, and creating 'good jobs' as part of a sustainable approach that combines wealth creation and reduced inequalities.

How Will the Target Be Achieved?

<u>Manufacturing and Engineering</u>

2.20 The engineering and manufacturing sector is the most disproportionately pronounced in Kirklees, and accounts for nearly 17% of jobs (BRES 2013 data). For this reason, and because of the real assets supporting the sector and potential for growth, it is prominent in the KES. We envisage targeted business support to assist growth in the sector, linked to that in LCR and the SEP, and measures to support the sector including major new sites and development, better links to innovation assets and supply chains and an enhanced skills base. These include key assets and developments at the University of Huddersfield and Kirklees College. Priority 1 of the KES sets out these improvements and notes that actions in other priorities of the KES will also support the sector.

2.21 Because of the measures that will be taken, the KES aims to achieve above forecast growth to increase the scale of the sector to have a Gross Value Added (GVA) of £2billion and 29,000 jobs by 2020. These targets make clear that % GVA growth will exceed % employment growth, with the latter growing by '*at least the average rate of the Kirklees Economy',* whilst sector GVA will grow more rapidly. We anticipate this would mean a rise of around 3,500+ jobs.

2.22 Based on a total working age population of around 275,000 and employment of 186,700 in 2012/13 (a rate of 67.9%), an additional 3,500 jobs in the engineering and manufacturing sector would increase the employment rate to around 69.2%, an increase of 1.5 percentage points and around a fifth of the increase in employment needed to hit the 75% employment target.

Other Sectors

2.23 Engineering and manufacturing is the main but not only sector mentioned within the KES. In this respect the KES summary notes that *"A priority specifically focused on innovative manufacturing and engineering builds upon that sector's pronounced strength in Kirklees. Taking a leading role in Leeds City Region, we will position our businesses at the heart of the Government's industrial strategy for a manufacturing revival based on high value, high skills and global competitiveness. The other four priorities apply to this sector* ***and*** *to other sectors of the economy, such as creative and digital, which are also important."*

2.24 Other excerpts in the KES that refer to other strategies include:

- From Priority 2 introduction text: *"As such this priority and all the actions within it cut across sectors and enable growth within them. This is particularly the case for our creative, cultural and digital sector which has real strength and growth opportunities in its own right."*

- Priority 3 which focuses on employment and skills: *"The Health and Social Care sectors are set to grow, linked to an ageing population. Jobs in them will increase, but the social care sector already has difficulty recruiting. We will build relationships with local NHS organisations and work with these sectors and skills providers to help to build relevant skills, match people to jobs, and encourage enhanced jobs and terms in the sector where needed and possible."*

- Priority 5 on places, notes in relation to smaller towns, villages and rural areas in particular: *"Opportunities include environmental and land based industries, leisure/tourism, cultural/creative and sustainable food businesses."*

2.25 Housing growth will create opportunities in the construction sector, as well as knock on demand for local goods and services that come with a larger population – leading to increased employment in sectors such as health, education, retail and hospitality.

Other Priorities and Actions that will aid Employment Growth

2.26 Priority 2 includes specific physical centres and hubs that will house or support growth, including the district's network of business centres, but also specific assets such as the 3M BIC Innovation Centre, The Textile Centre of Excellence, The Media Centre, The Globe Mill Technology Centre and the National Process Manufacturing Centre. The Kirklees Business Hub will provide a gateway to business support, including helping growth businesses to take advantage of LCR/SEP Growth Fund based opportunities. It will also facilitate business to business trade locally, boosting supply chains and growth.

2.27 Priority 3 includes a strong focus on Enterprise and there is a concentration of activity within Kirklees (which is referred to in the SEP) to facilitate enterprise skills and new business start-ups. As Priority 3 notes: "*Kirklees College has secured a new Peter Jones Academy (the only one in West Yorkshire), a Youth Enterprise Centre has been created, there is enterprise education in schools, and the University of Huddersfield is driving intensive activity to promote enterprise skills and graduate entrepreneurship."*

2.28 Priority 3 also contains actions to create local jobs and growth through better connecting local businesses to education and apprenticeships, and developing high level skills. It also stresses a number of ways of creating routes into better jobs and action to grow jobs in the health and care sectors.

2.29 Priority 4 includes actions to enhance transport and accessibility, taking advantage of Kirklees' locational advantages based on its wide catchment area. This will help to encourage more firms to locate and expand within the district, especially combined with improved digital infrastructure and work on the Business Hub and the commitment to make Kirklees a business friendly district and council.

2.30 Housing growth actioned in priority 4 will help to stimulate employment as previously mentioned.

2.31 Priority 4 also includes action to "*Develop **strategic employment sites** to stimulate jobs and growth, with a focus on manufacturing and engineering*". Examples of potential major sites include Cooper Bridge and Chidswell, with other developments such as at Lindley Moor. 'Resource Smart Corridors' will assist the attraction of investment.

2.32 Unlocking major business premises opportunities within town centres will also provide opportunities to widen growth and employment, including to sectors such as creative and digital and others favouring a central location. Other major retail and leisure will also lead to business and employment growth. Examples of opportunities noted in the strategy include:

- Waterfront Quarter Huddersfield;
- Folly Hall scheme and new campus for Kirklees College;
- St. George's Quarter Huddersfield;
- redevelopment of Pioneer House in Dewsbury;
- high profile, gateway sites such as those around Huddersfield's ring road (e.g. new leisure centre) and expansion and upgrade of University of Huddersfield buildings;
- the major 'HD One' leisure proposals at the John Smith's Stadium; and
- retail development such as expansion of the Kingsgate Centre Huddersfield.

2.33 Priority 5 makes clear how development will assist places and communities, including Huddersfield and Dewsbury, as well as the role of community economic development and wider opportunities in smaller towns, villages and rural communities.

Town Centres

2.34 The NPPF includes a 'Town Centres First' approach to the location of new main town centre uses, which include B1(a) Offices within the definition. Local planning authorities are required to:

- allocate a range of suitable sites to meet the scale and type of main town centre uses needed in town centres. It is important that such needs are met in full and are not compromised by limited site availability;

- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre; and

- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres.

2.35 The draft Kirklees Local Plan sets out a 'Town Centre Uses' policy that main town centre uses shall be located within defined centres (principal town centres, town centres, district centres, and local centres). Support will be given to development proposals that are appropriate in scale, help to retain an existing centre's market share, and enhance the experience of those visiting the centre and the businesses which operate in that centre.

Rural Economy

2.36 Within Kirklees, the rural areas are living and working environments for many people and support a significant number of business including farms, garden centres and nurseries, riding stables and liveries, industry and offices and a host of other enterprises. It is therefore important to provide a set of policies which can be used to consider such new developments in rural location.

2.37 The draft Local Plan supports the above requirements, and includes a policy entitled 'Supporting the rural economy'. Further guidance in relation to main town centre uses in rural areas is set out in the 'Town Centre Uses' policy. The policies recognise the importance of rural areas in making a positive contribution to the local economy, and support the limited expansion or establishment of business within rural areas where there is a demonstrated operational need.

2.38 It is acknowledged that main town centre uses occur within rural locations, and additional allowance has been made for such uses, with the requirement for sequential tests being waived when a development is of a small scale - defined as 150 square metres or less. This approach supports the establishment of small scale rural developments, and follows the requirements of paragraph 25 of the NPPF. Justification for the 150 square metre threshold is set out in the Retailing and Town Centres Technical Paper.

2.39 When schemes are proposed over the 150 square metre threshold, a sequential and impact assessment will be necessary in accordance with the policy requirements set out in parts B and C of the 'Town Centre Uses' policy. However, additional considerations will be made to the operational requirements of the enterprise.

2.40 The policies provide a balanced approach to supporting the rural economy but also protecting town centres across the district. These policies also reflect recent changes to permitted development rights for agricultural buildings which are often located in rural areas, and which now allow greater flexibility to change agricultural buildings to alternative uses such as offices.

2.41 Other business uses also occur within rural areas and the policies provide a general support for these but seek the reuse of existing buildings which look to ensure the protection of established uses such as farming. Such protections are considered important to ensure that any new developments sufficiently protect the green belt and local countryside from any detrimental impact, and ensure that new development is sustainably located. The policy also ensures the long term protection of established enterprises to prevent any adverse impact which could occur from the introduction of new uses. If new buildings are required, due regard will be made to appropriate green belt and other policies within the plan.

Priority Employment Areas

2.42 The National Planning Policy Framework (NPPF) is clear that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of them coming forward for their intended purpose. Where a site is unlikely to be used for its allocated employment use, then alternative proposals should be considered and each application considered based on its merits.

2.43 The NPPF also states (paragraph 157 bullet 6) that areas can be identified, where necessary, to limit the freedom to the change of use of land and premises where it can be justified.

2.44 As a direct response to these requirements an assessment of the council's employment stock was undertaken to determine their continued suitability for employment. The findings from this assessment has then be used to determine what sites/employment areas need safeguarding – as 'Priority Employment Areas' (PEAs).

2.45 Areas designated as PEAs have been afforded protection from proposed changes of use to non-employment generating uses. Doing so will help provide a clear direction for existing and future businesses wanting to grow and expand from their current location. The process will also help to rationalise the current employment stock bringing forward redundant or underused employment locations for other uses, such as housing, and increase our brownfield supply (addressing para 51 of NPPF).

2.46 It has been important to use the findings from this assessment to determine how much employment land is occupied by use class, and how much vacant land is available which can be factored in to the district's employment land supply. The quantum of land calculated from this, although not allocated, will contribute as a potential windfall allowance.

2.47 Ensuring we have a robust figure for the district's employment land supply will help justify the scale of new employment land required to meet the identified need.

3. Kirklees Context

3.1 Kirklees has a strong industrial legacy founded on the textile industry which gave rise to engineering and chemicals. Much of this legacy lies along the river valley corridors with a certain amount of the building stock now unsuited to modern business needs. Due to the nature of some of these historical locations much of the employment stock falls within areas of known flood risk whilst others are less accessible to more modern modes of transport, the community and the wider labour market. Consequently, development opportunities within these historical locations have become increasingly more difficult to modernise and develop in today's market.

3.2 The Kirklees economy is the third largest in the Leeds City Region and, in terms of manufacturing jobs, the third largest in England. There are established manufacturing companies in Kirklees, particularly in high value-added textiles, design and engineering as well as companies developing low carbon products. Taking account of the districts regional and national status it is important, and a council priority, to maintain and strengthen this position.

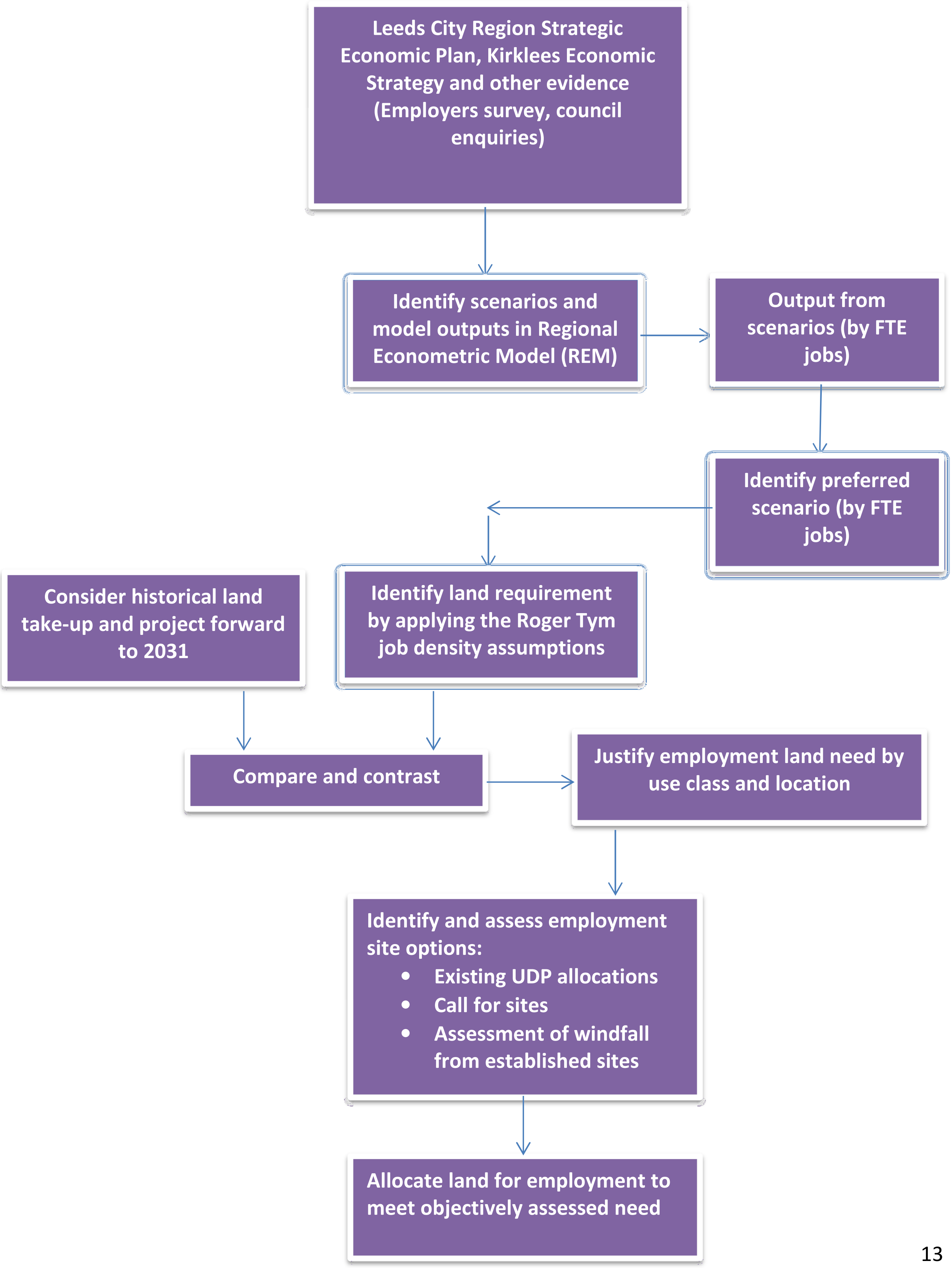
3.3 There are three distinct economic market areas to the district, these being; north Kirklees, Huddersfield and south Kirklees. The majority of south Kirklees settlements have been established along the valley corridors which are more self-contained. Much of the industry is based in out-dated accommodation which does not generally have a wider appeal beyond the settlements within which they serve. Huddersfield benefits from advanced manufacturing companies and creative industries which is a key strength of the district and one the council is keen to build upon. Dewsbury and the wider north Kirklees area are well connected to the motorway network; an asset to the existing manufacturing and haulage operations. This area of the district is also dependent on larger neighbouring cities such as Leeds and Bradford for its employment needs.

3.4 Each distinct area has an important role to play in delivering the economic objectives of Kirklees and, in the case of Huddersfield and north Kirklees, the wider Leeds City Region. However, in order to capitalise on these strengths a deliverable land supply that meets the needs of the district's indigenous businesses and those of inward investors must be in place to realise the economic ambitions.

3.5 As part of the preparatory work for the draft Local Plan, it has been important to acknowledge Kirklees' role within the wider Leeds City Region (LCR) by understanding its key strengths and how these can help support the aspiration of the LCR LEP, particularly in driving forward the engineering and manufacturing sectors. It has also been important to take account of the council's own economic objectives as set out in the Kirklees Economic Strategy (KES) where further emphasis has been given to the precision engineering and high end manufacturing. Recognition has also been afforded to the importance of the need to create 'better jobs' in industries such as creative and digital as part of a sustainable approach that combines wealth creation and reduced inequalities.

3.6 These strategies have been integral in planning for employment land in the Local Plan but more importantly, and in compliance with national guidance, they form a much broader picture in understanding the objectively assessed needs (OAN) for employment in the district. Kirklees' approach to understanding the jobs and land requirements for the Local Plan is illustrated in Figure 1 and explained further below.

Figure 1: Approach to identifying jobs need and land requirement



4. Calculating the OAN Jobs Number and Land Requirement

4.1 National Planning Practice Guidance (PPG) states that the primary objective of identifying employment need is to identify the future quantity of land or floorspace, including both the quantitative and qualitative needs for new development, and provide a breakdown of the analysis in terms of quality and location. Any gaps in supply should be identified as part of this work. As local planning authorities carry out their assessment of development needs it is important to ensure this process is proportionate and considers future scenarios that could be reasonably expected to occur.

4.2 In addressing the requirements of PPG, the draft Local Plan has taken account of a range of scenarios to understand the employment needs of the district. The methodology started with:

- Using the latest Office for National Statistics (ONS) sub national population projections (SNPP) and applying a selected employment rate by 2031 to understand the jobs growth. These figures were then adjusted to take account of the latest ONS figures for in and out commuting. The identified jobs growth was then applied against the latest Business Register and Employers Survey (BRES) sector shares to determine the job breakdown by each sector, from which a land and floorspace requirement could be calculated (using Roger Tym job density assumptions).

- Running three different scenarios to reflect a range of employment rates that could reasonably be expected to occur. These were first, a baseline scenario which assumed growth in line with trend, second to apply the KES objective for manufacturing and achieving a 75% employment rate, and third to apply the KES objectives for manufacturing but take the employment rate up to a more ambitious 80%.

4.3 Having carried out each of these scenarios, Kirklees requested a critique of the work to be undertaken by the Combined Authorities (CA) Regional Econometric Intelligence Unit (REIU). The purpose of this exercise was to identify both the strengths and weaknesses of the council's approach, and to consider other alternative methods that may present a more robust position to base the draft Local Plan's employment needs on.

4.4 Based on the work undertaken by the REIU it was concluded that:

"Kirklees' approach had some merit but ultimately provided an overly simplistic forecast of jobs need. It was felt that predicting jobs growth in this manner would not reflect the likely population growth that would occur alongside it (due to an increased demand for labour). It also failed to take into account the likely change in sector shares over the plan period, and instead adopted manual amendments to reflect a stronger performance in the manufacturing and engineering sectors. This

did not allow for the relationship between sectors and consequently the impact one sector would have upon another."

4.5 In view of this the REIU presented alternative approaches for the council to consider, these included:

- Basing the job requirement on seeking to understand the local impact of the KES, including employment on those sites which are likely to come forward for employment in the Local Plan and, through utilising the Regional Econometric Model (REM), understand their likely job creation by sector; or

- Use the REM to forecast employment growth and build in various scenario's to reflect a range of approaches that could reasonably occur based on targets for the local economy.

4.6 Having considered the initial feedback, the council felt it was important to determine the OAN for jobs and land first. Once established, sites could then be identified to meet the jobs and land requirement. In view of this, option 1 was not considered an appropriate approach to take. Option 2 was deemed to be the more robust method, and most compliant with national guidance.

4.7 It was felt that option 2 provided the council with a more sophisticated method to modelling future jobs need, whilst also taking account of local targets. The REM is an interactive database of economic, demographic and environmental data across Yorkshire and Humberside as well as for a number of surrounding areas. Developed by Experian, it has been continually developed and upgraded over a number of years to help forecast industry growth and decline over the coming years. The model includes both historical data and forecasts on 38 industry sectors between the years 1997 and 2031. It can produce forecasts of output, productivity, employment, occupations and skills.

4.8 As well as forecasting; the other key purpose of the REM is to allow impact scenarios to be built in. It includes a collection of modelling tools that can be used to create scenarios for local areas based on the 'Multiplier Effect'. These can be positive and negative scenarios.

4.9 Taking account of the above, it was acknowledged that REM allowed for a number of factors when calculating jobs need, including:

- modelling based on likely national forecasts;
- taking account of regional and local sectoral strengths as well as wider local economic characteristics;
- taking account of the impact of job growth on the workforce population;
- taking account of the interrelationship of growth in one sector upon another;
- taking account of impact of leakage and displacement; and
- providing a more realistic projection of job share by sector.

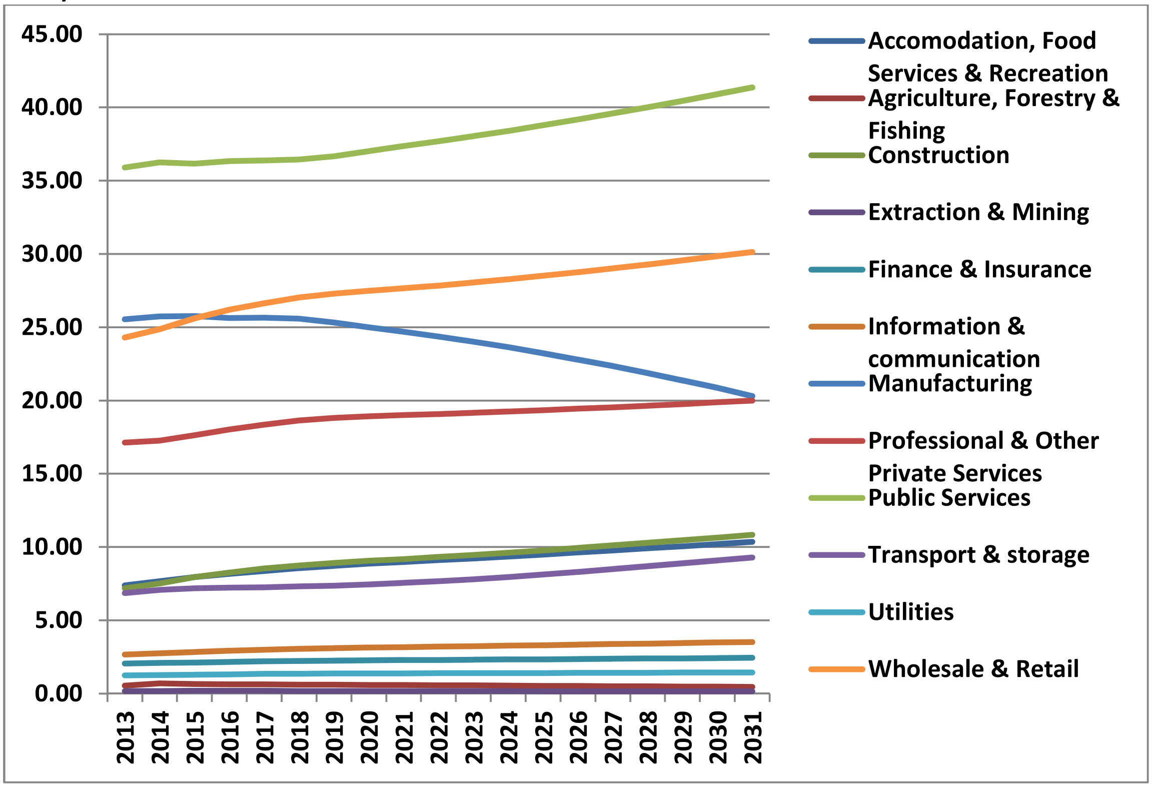
4.10 In addition to using REM to model the economic forecasts, it was equally important to factor in the KES economic objectives to any future projection. In view of this, REIU were asked to run three scenarios to provide an appropriate range of jobs forecast. This enabled the council to understand the implications of job growth at both the higher and lower ends of the scale. The three scenarios tested were:

1. Baseline (trend) jobs forecast without intervention;
2. Jobs forecast based on meeting the KES objective of 75% employment rate and generating 3,500 jobs by 2020 in the manufacturing and engineering sectors; and
3. Jobs forecast based on an 80% employment rate and generating 3,500 jobs by 2020 in the manufacturing and engineering sectors.

4.11 The benefits of considering a range enabled the council to understand what sectors are most likely to grow (as indicated by the baseline) and what impact successful strategies would have on the economy across each sector. By understanding where future growth is likely to come from, the council has been able to formulate a policy response, determine how realistic and deliverable each intervention is, and whether the employment land is available to facilitate this.

4.12 The following graph illustrates how the various sectors would perform, in terms of full time equivalent (FTE) job growth, if a baseline approach was assumed for the plan period.

Graph 1: Baseline projection of FTE employment growth by sector in Kirklees 2013-2031 (source: REM)

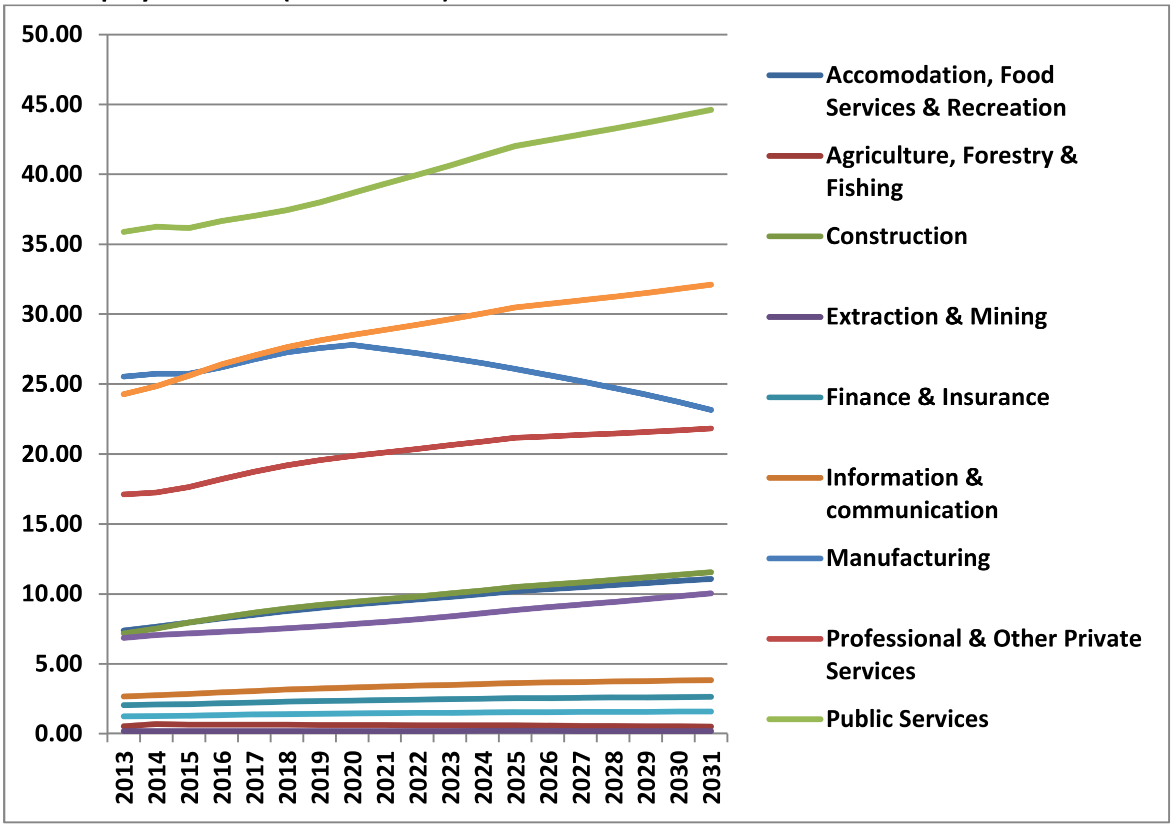


4.13 As indicted above, the REM baseline forecast for Kirklees would see job growth in a number of sectors including public services, wholesale and retail, professional and other private services. Manufacturing, although to remain a significant component of the Kirklees economy, is forecast to decline in terms of its market share of FTE jobs. However, this does not imply there is no scope for the sector to grow (in GVA terms) but is instead an indication that the sector is likely to become less labour intensive.

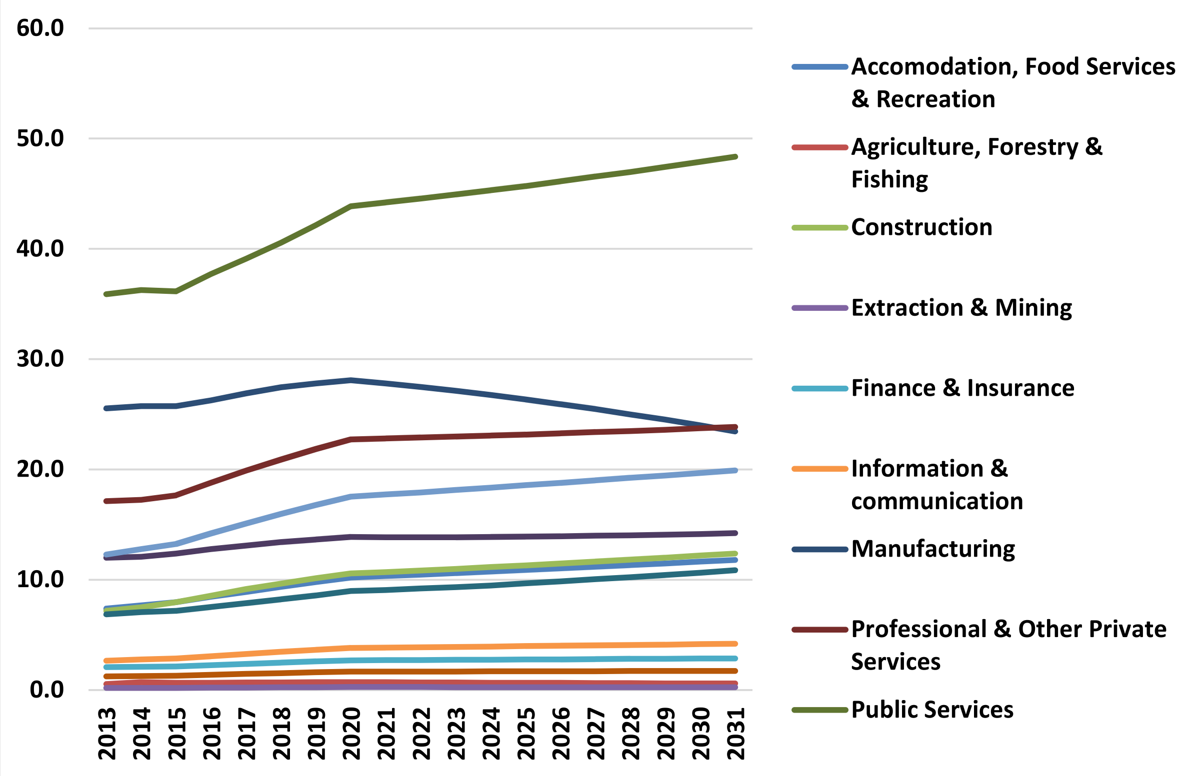
4.14 Overall, the baseline position forecasts that employment in Kirklees is likely to grow with an estimated 19,300 FTE jobs created during the plan period (2013-2031).

4.15 Although a baseline positon has been established, this particular scenario does not take account of stated council objectives. In view of this, REIU ran a further two scenarios that would model the impact of the KES with a particular focus on generating additional jobs in the manufacturing and engineering sectors and the additional jobs needed to achieve a 75% employment rate overall. The third scenario applied the more ambitious employment rate of 80% assuming the same intervention for manufacturing and engineering. The two graphs below illustrate the impact of both.

Graph 2: KES projection of FTE employment growth by sector in Kirklees 2013-2031 assuming a 75% employment rate (source: REM)



Graph 3: KES projection of FTE employment growth by sector in Kirklees 2013-2031 assuming an 80% employment rate (source: REM)



4.16 Graphs 2 and 3 demonstrate that once the interventions of the KES have been applied and the employment rates of 75% and 80% achieved then the general trends, as forecast in the baseline, are likely to continue. However, although a successful strategy would result in a stronger performance in manufacturing, the REM still forecasts there to be an overall decline in FTE jobs for this sector.

4.17 Assuming the council successfully implemented the KES objectives and achieved the ambition of a 75% employment rate, then the forecast suggests total FTE job growth would be 32,200 by 2031. If the more ambitious target of an 80% employment rate was to be achieved then the total FTE jobs growths would be 43,700.

4.18 The council has carefully considered these three outputs and concluded the following:

<u>Baseline</u>

4.19 The baseline approach has presented the council with an understanding of the anticipated sectoral change over the plan period. Although the council considers this growth forecast to be deliverable, it recognises that this approach does not align with its own economic objectives or the overall needs of businesses. In particular, the emphasis the LCR LEP and the council have placed on supporting the growth aspirations of the manufacturing and engineering sectors is not appropriately reflected, and the council would not therefore be positively responding to this overarching objective.

4.20 Despite this, there is value in the information derived from the baseline which will help the council understand the land requirements of specific sectors that have been identified for growth. This will need to be accounted for when identifying appropriate sites for employment in the Local Plan.

<u>KES objectives and 75% employment rate</u>

4.21 Having modelled the impact of a successful economic strategy, the council acknowledges that resultant jobs growth will be challenging, however, based on historical employment rates (see Appendix 2) it is still considered achievable. Although emphasis has been placed on engineering and manufacturing in particular, the outputs from the REM still suggest an overall decline in FTE jobs for the manufacturing sector. This is consistent with the KES, which aims to achieve above forecast growth to increase the scale of this sector; however, these targets make clear that % GVA growth will exceed % employment growth. The KES anticipates that it would mean a rise of around 3,500 jobs and a trend pattern thereafter. This is illustrated in graph 2 where manufacturing is initially more resilient to the baseline trend but then begins to see a decrease from 2021 onwards.

<u>KES objectives and an 80% employment rate</u>

4.22 Overall the implications of the 80% employment rate suggest a similar pattern to that of the 75% employment rate. Although aspirational, it is acknowledged that it is unrealistic to assume the Kirklees Local Plan would assist in the delivery of an additional 43,700 FTE jobs over the plan period.

4.23 Taking account of the above and having fully considered the implications of all three scenarios it is clear that applying a policy-on approach, to improve the performance in both manufacturing and engineering, whilst working towards a 75% employment rate is a realistic aspiration, and one that meets the identified needs of the district. In view of this the council is satisfied that scenario 2 is the preferred approach to deliver the overarching economic objectives for Kirklees.

Table 1: Economic forecast KES objectives and 75% employment rate

	2013 sector by %	Total jobs 2013	2031 sector by %	Total jobs	Difference 2013 to 2031 (FTE)
Accommodation, food services & recreation	5.6	7390	6.8	11080	3690
Agriculture, forestry & fishing	0.4	540	0.3	520	-20
Construction (F)	5.5	7180	7.1	11550	4370
Extraction & mining	0.1	180	0.1	200	20
Finance & insurance	1.6	2060	1.6	2640	580
Information & communication	2.0	2660	2.4	3840	1180
Manufacturing	19.5	25550	14.2	23170	-2380
Professional and other private services	13.1	17120	13.4	21820	4700
Public services	27.4	35890	27.3	44620	8730
Transport & storage	5.2	6850	6.1	10030	3180
Utilities	1.0	1250	1.0	1590	340
Retail	9.2	12000	8.4	13640	1640
Wholesale	9.4	12290	11.3	18460	6170
Total	**100**	**130960**	**100**	**163160**	**32200**

(Source: REM, 2015)

Sustainability Appraisal

4.24 In terms of understanding the impact of the range of employment scenarios, it has also been important to test them through the Sustainability Appraisal (SA). The SA of the draft Local Plan assessed the upper employment growth scenario (43,700 jobs) and lower employment growth scenario (19,300) alongside the 32,200 draft local plan jobs requirement. This allows the SA to test a higher and lower level of growth relative to the draft local plan employment requirement. (See chapter 11 of the full SA report for further information).

5. Translating Jobs into Land

5.1 Having established the OAN for jobs, it was important to understand how much and what type of land will be required to accommodate the jobs requirement. This process includes understanding the continued suitability of the current employment land supply and calculating the gross employment land need. The 'Planning for Employment Land, Translating Jobs into Land' study produced by Roger Tym and Partners (2011) was used to understand the land requirement based on the jobs need. The assumptions applied were:

- B1(a) office – 16 sq m of building floorspace per worker, and 6,000 sq m of building floorspace per hectare of land; and
- B1(b), B1(c), B2 and B8 – 67 sq m of floorspace per worker, and 3,500 sq m per of floorspace per hectare.

5.2 The Roger Tym study is the most recent and relevant job density study for the Yorkshire and Humber region.

5.3 Its job density assumptions, when applied to the identified jobs need of 32,200, resulted in a total employment land requirement in Kirklees of 265 hectares. Table 2 below disaggregates this land requirement by each of the employment sectors.

Table 2: FTE jobs growth by sector and associated land requirement

	2013 sector by %	Total jobs 2013	2031 sector by %	Total jobs	Difference 2013 to 2031 (FTE)	Job density (Sq m per job)	Floorspace (sq m)	Land required (ha)
Accommodation, food services & recreation	5.6	7390	6.8	11080	3690			
Agriculture, forestry & fishing	0.4	540	0.3	520	-20			
Construction (F)	5.5	7180	7.1	11550	4370	67	76125	21.8
Extraction & mining	0.1	180	0.1	200	20			
Finance & insurance	1.6	2060	1.6	2640	580	16	9280	1.5
Information & communication	2.0	2660	2.4	3840	1180	16	18880	3.1
Manufacturing	19.5	25550	14.2	23170	-2380	67		44.5
Professional and other private services	13.1	17120	13.4	21820	4700	16	75200	12.5
Public services	27.4	35890	27.3	44620	8730	16	139680	23.3
Transport & storage	5.2	6850	6.1	10030	3180	67	213060	60.9
Utilities	1.0	1250	1.0	1590	340	67	22780	6.5
Retail	9.2	12000	8.4	13640	1640			
Wholesale	9.4	12290	11.3	18460	6170	67	318310	90.9
Total	**100**	**130960**	**100**	**163160**	**32200**		**873316**	**265.1**

5.4 As can be seen from table 2, the most significant sectors for jobs growth are transport & storage and wholesale, which collectively account for 152 hectares of the total land requirement. However, it should be noted that not all these sector jobs will equate to a land requirement. The 2008 Knight Frank study[1] has been used to determine which sectors require land and what percentage of those jobs should be applied to the land calculations. For example, within the construction sector it is acknowledged that only 29% of the total jobs will need additional land to support them (particularly in B1 and B2 uses), whereas the majority of wholesale jobs (77%) will need further land.

5.5 Sectors such as accommodation, food services, recreation and retail do not fall within the standard B use classes (see Appendix 1 for a full breakdown of use classes). A number of these jobs are likely to be located within the districts town and local centres, the retailing and town centres chapter provides a positive framework for appropriate uses to come forward in the districts centres which will support and encourage growth in these sectors. The 2008 Knight Frank study also suggests that agriculture, forestry and fishing have no land implications and extraction and mining have been accounted for separately through the minerals policies and site allocations.

5.6 Although the council is seeking to support the growth of the manufacturing sector, the total jobs forecast for manufacturing is actually set to decline. In theory this would imply a loss of land for manufacturing. However, the key reason for this is that manufacturing industry is becoming less labour intensive, especially in the precision engineering and advanced manufacturing sectors where technology has brought about significant efficiencies.

5.7 This does not however imply a net loss of land for manufacturing, particularly as one of the economic objectives for Kirklees is to see GVA growth in the manufacturing and engineering sectors. Based on enquiries to the council and understanding the needs of the districts indigenous businesses (see employers survey), if GVA growth in manufacturing is to be achieved then new prime employment sites will be required to meet the sectors growth aspirations. To acknowledge this fact, the council has assumed 44.5 hectares for manufacturing will be required during the plan period.

5.8 This figure has been based on the fact that some of the district's current manufacturing stock is now limited, smaller in scale and no longer fit for purpose. Therefore an assumption has been made that once new sites have been provided in the relevant market areas, these smaller historical sites are likely to be vacated, and therefore a net gain in land take-up has been assumed. Consideration must also be given to the potential for inward investment opportunities which, if secured, would constitute 100% new land take-up.

5.9 The 44.5 hectares has been based on a proportion of the two sub-regionally important sites at Cooper Bridge and Chidswell, which combined, accounts for approximately 50% of the two proposed employment allocations. It is important to note that both

[1] Employment Land Forecasts, Market Analysis of Sites and Recommended Interventions and Initiatives to Promote Economic Growth, Knight Frank, October 2008

sites represent the key locations in the district to help deliver on the strategic objectives for manufacturing and engineering at both the sub-regional and local level. It is however accepted there will also be the need for a mix of uses coming forward on these sites to support the manufacturing and engineering operations. For example, class B8 storage and distribution, research and development (B1(b)), and ancillary administrative (B1(a)) functions will be required. It cannot be assumed therefore that the entirety of these two sites will be solely focused on B1(c) light industrial and B2 general industrial uses.

6 Locational Requirements and Quantum of Land to Meet OAN Jobs Need

6.1 Although a total land requirement has been established a further, and important, consideration, is to understand the council's past delivery on employment land and to critique the current employment land portfolio. Doing so will present the council with an understanding of the type of accommodation currently being provided for and where constraints exist. A further consideration is to identify the relevant market areas in Kirklees and make sure provision reflects the market requirement appropriately. This will help the council to identify where there is evidence of potential market failure, where demand exists and consequently where new provision should be made.

6.2 To understand and accommodate the employment land requirement, an important element of the process has been to review past land take-up for business and industry. Analysis dating back to 2004/05 has been used as it was felt 10 years of data would provide sufficient and robust information on the districts past performance.

Employment Completions

6.3 Table 3 below illustrates the take-up of employment land for the previous ten years. Based on this data an average of 10.01 ha of employment land has been developed per annum within the district. If this were to be projected over the duration of the Local Plan period (2013-2031) and used as evidence to demonstrate the future land requirement, then a total of 180.18 hectares of employment land would be required. When compared to the land requirement derived from the OAN jobs figure, this would suggest either an under provision of employment land or insufficient suitable sites have been made available during the period under review. Further analysis of the historical take-up and a critique of the remaining supply has therefore been undertaken and is discussed further in this paper.

Table 3: Annual take-up of employment land (source: Employment Land Supply Review, 2014)

Annual take-up of employment land for business and industrial uses within Kirklees district	
Year	Hectares
2004-2005	19.86
2005-2006	0.51
2006-2007	15.70
2007-2008	13.33
2008-2009	15.44
2009-2010	9.00
2010-2012*	10.08
2012-2013	8.11
2013-2014	8.06
Total	**100.09**

* 2 years of monitoring data

6.4 Table 4 provides a breakdown of the total floorspace completed for the monitoring period covering 2004/5 to 2013/14. Analysis of this data has helped to establish what type of business and industrial uses have come forward over the last decade. As indicated below use classes falling within the storage and distribution (B8) sector has seen the most significant contribution to Kirklees' employment stock. When compared to the economic forecasting in table 2, this is consistent with the future projections for this industry where a total of 91 ha (318,310 sq m) has been forecast and is likely to be the biggest contributor to land take-up in the future.

6.5 General industrial (B2) operations have historically been the next significant contributor to land take-up and development of floorspace during this same period. Again, this is a significant sector for the Kirklees economy and is therefore consistent with the emphasis given to this sector by both the LCR SEP and KES.

6.6 In relative terms, the Kirklees office sector has also seen a healthy contribution to past take-up and floorspace completions. An amount of this is likely to be ancillary to both the B2 and B8 operations, however, some significant office development has come forward during the last decade, particularly in Huddersfield town centre where Folly Hall, a listed former mill building, was converted to create 6,350 sq m of office floorspace and at Bradley Business Park, outside of the town centre, where 11,784 sq m of new office floorspace has been built.

Table 4: Amount of completed floorspace by use class

	Completed floorspace by use class (sq m)					
Year	**B1a**	**B1b**	**B1c**	**B2**	**B8**	**Total**
2004/5	6,589*			26,936	56,792	**90,317**
2005/6	894	0	0	1,439	2,490	**4,823**
2006/7	19,473	795	7,623	21,760	18,807	**68,458**
2007/8	7,022	0	2,238	13,804	16,814	**39,878**
2008/9	6,493	0	5,023	16,096	25,395	**53,007**
2009/10	13,644	0	1,944	11,548	2,900	**30,036**
2010/12	2,575	4,482	1,612	9,073	26,453	**44,195**
2012/13	4,573	401	2,348	8,486	37	**15,845**
2013/14	7,933	0	210	13,691	4,544	**26,378**
Total	**67,219**	**6,073**	**22,580**	**122,833**	**154,232**	**372,937**
% of total floorspace	**18%**	**1.6%**	**6.1%**	**32.9%**	**41.4%**	**100%**

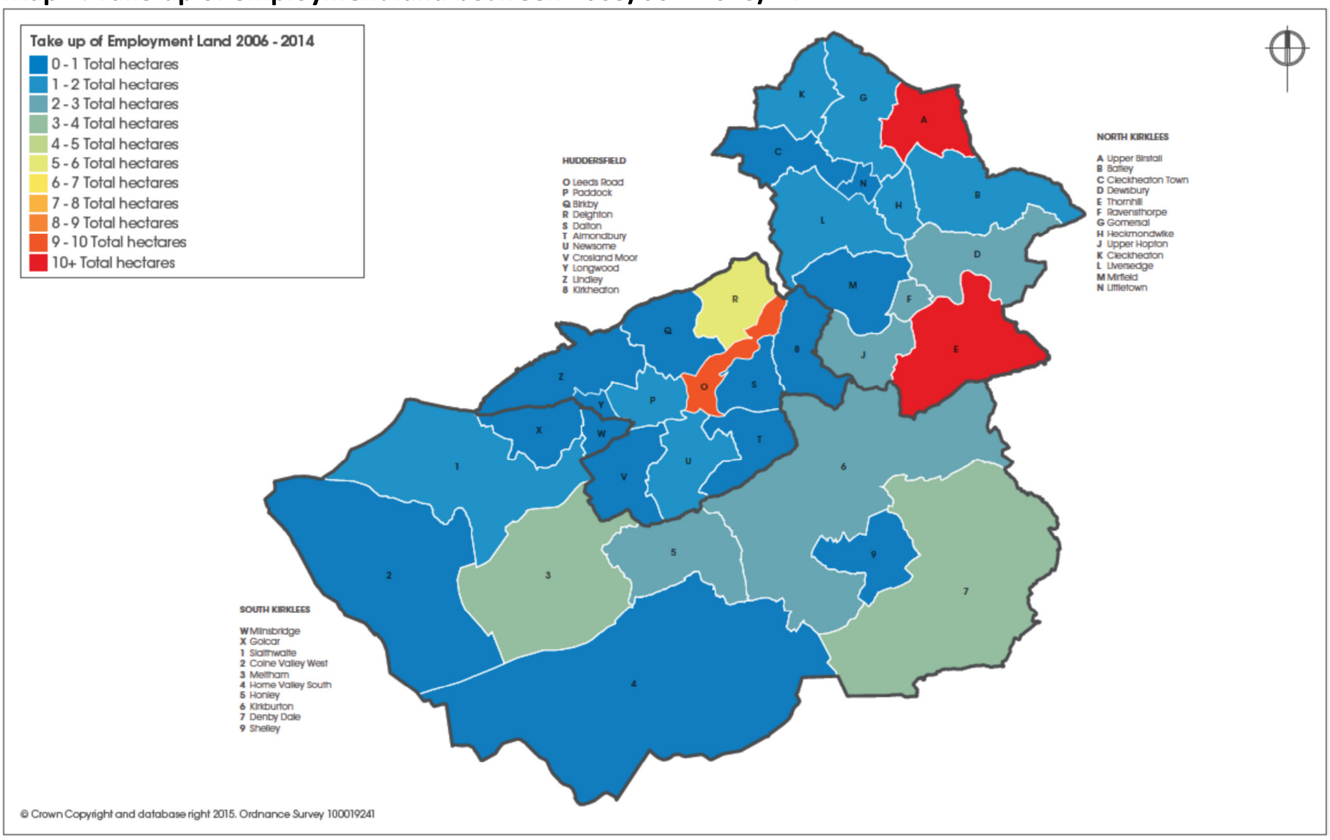
* Percentage of floorspace has been applied to the total row as follows (70% B1a, 6% B1b and 24% B1c)

6.7 A review of the previous year's monitoring data has established that between 1st April 2013 and 31st March 2014 a total of 7.76 ha of land was developed for business and industrial use. Just over half of this was unallocated (and was therefore a windfall). The biggest single take-up of land was 1.9 ha, more than double the size of the next largest site which stood at 0.7 ha. The types of development occurring have generally been minor extensions and conversions. Very little of the take-up consisted of new build developments.

6.8 This pattern of development is consistent with the majority of the previous monitoring years. The predominant type of development occurring in the preceding years has either been business extensions or minor new builds. The last major development to occur in the district was at Bretton Street, Dewsbury for storage and distribution in 2009, accounting for 6.25 hectares. However; both Lindley Moor (14,684 sq m) and Slipper Lane, Mirfield have come forward for planning permission within the last 12 months. Both will comprise a mixture of B1c, B2 and B8 but are currently in outline with little further detail. It must be noted however that both sites will see an element of residential to enable the employment uses to come forward. These two sites represent the last remaining significant UDP employment allocations.

6.9 Map 1 below illustrates how development has been distributed between 2005/06 and 2013/14

Map 1: Take-up of employment land between 2005/06 – 2013/14



(Source: Kirklees Market Strength Assessment, Bilfinger GVA, 2015)

Commitments (full planning permissions)

6.10 Based on the most recent monitoring data (2013/14) a total of 23.10 ha were subject to full planning permission for business and industrial use. Taking account of the average take-up this equates to just over two years of land supply. Two hectares of this supply is on land allocated in the UDP for business and industry.

Supply from 'available' sites

6.11 Analysis of the 2014 monitoring data shows the council's current employment land supply – which was not subject to full planning permission and not constrained (therefore available) - is predominantly made up of smaller sites with the average site area being 1.65 ha. The 2014 supply figure includes the two largest remaining UDP allocations, these being Lindley Moor, Lindley at 31 hectares and Slipper Lane, Mirfield at 11 hectares. However, as noted above both are now subject to planning permission (received in May 2015 and April 2015 respectively). As indicated in Table 5 below, Huddersfield contributes the most towards supply (49.10 hectares from 20 sites) whereas North Kirklees has the most sites but provides less towards land (29.86 hectares from 39 sites). South Kirklees' contribution is the least (4.69 hectares from 11 sites). The biggest contributor of this supply is from the two UDP allocations (Lindley Moor and Slipper Lane) which contribute a total of 42 hectares. The majority of sites (40) however are small and fall within the site range of 0.01 and 0.4 hectares. This is further evidence that supply is predominantly only meeting the needs of indigenous small and medium-sized enterprises (SMEs) and not the needs of larger business operators or inward investors; this in turn is restricting the growth potential of the Kirklees economy.

6.12 See Appendix 3 for a full breakdown of current supply.

Table 5: Breakdown of employment land supply

Employment Land Supply						
Huddersfield						
Site area (ha)	Available (ha)	No.	Committed (ha)	No.	Total (ha)	No.
Less than 0.4	0.43	7	3.63	27	4.06	34
0.4 to 3.99	14.61	11	3.96	6	18.57	17
4.0 to 7.99	0.00	0	4.89	1	4.89	1
8.0 and over	34.06	2	0.00	0	34.06	2
Total	**49.10**	**20**	**12.48**	**34**	**61.58**	**54**
North Kirklees						
Less than 0.4	3.42	24	2.52	30	5.94	54
0.4 to 3.99	14.66	13	5.55	9	20.21	22
4.0 to 7.99	11.78	2	0.00	0	11.78	2
8.0 and over	0.00	0	0.00	0	0.00	0
Total	**29.86**	**39**	**8.07**	**39**	**37.93**	**78**
South Kirklees						
Less than 0.4	1.07	9	0.53	6	1.6	15
0.4 to 3.99	3.62	2	2.02	3	5.64	5

4.0 to 7.99	0.00	0	0.00	0	0.00	0
8.0 and over	0.00	0	0.00	0	0.00	0
Total	**4.69**	**11**	**2.55**	**9**	**7.24**	**20**
Overall total	**83.65**	**70**	**23.1**	**82**	**106.75**	**152**

(Source: ELSR 2014)

6.13 The average size of sites would appear to be consistent with the type of development primarily taking place in the district i.e. extensions and minor new builds. However, this trend is more than likely dictated by the very fact there are few opportunities of a larger and indeed more strategic nature in the district right now.

6.14 In total, the amount of supply not committed (without full planning permission) is 83.65 ha. Based on the average take-up this equates to eight years of supply.

6.15 Taking account of both permitted and sites without permission which are not considered constrained, the total employment land supply as at 31st March 2014 was 106.75 hectares, the equivalent of 10.5 years supply.

Completions

6.16 When calculating the amount of land required for business and industry it has been important to take account of completions in line with the plans base date (1st April 2013). Based on the 2014 ELSR data a total of 8 hectares of land have been developed for business and industry. In view of this it has been considered prudent to take this into account when calculating the amount land required for allocation.

Identification of Potential Windfall

6.17 As indicated in paragraph 2.42 a review of the council's established business and industrial sites was undertaken to determine their continued suitability. Through this exercise, sites have been identified as Priority Employment Areas (PEAs) which provides a greater degree of protection to prevent unnecessary changes of use. Naturally much of this stock is already developed; however, there remain areas of land within them that are undeveloped yet have the potential to contribute towards the employment land supply. Although this supply is not considered to be prime and is neither allocated nor subject to planning permission, it is still important to acknowledge potential within the districts existing employment areas. Following the conclusion of this exercise, a total of 60 hectares had been identified as suitable for future business and industrial use. It must be acknowledged however that this supply is limited in terms of the general size of sites, and in some instances, restricted as expansion opportunities only.

6.18 For full details of this assessment please refer to the ‘Priority Employment Area’ technical paper.

Assessing the Suitability of Current Supply

6.19 Although the evidence from various sources is consistent and point towards a lack of supply of sites that are of sufficient size, it is also important to understand the locational needs of businesses that would be willing to occupy these larger sites. Evidence from the employer's survey suggests key locational criteria include:

- Proximity to the major road network (including motorway junctions);
- Avoidance of congestion;
- Further land / expansion opportunities;
- Access to the workforce;
- Parking provision; and
- An attractive environment

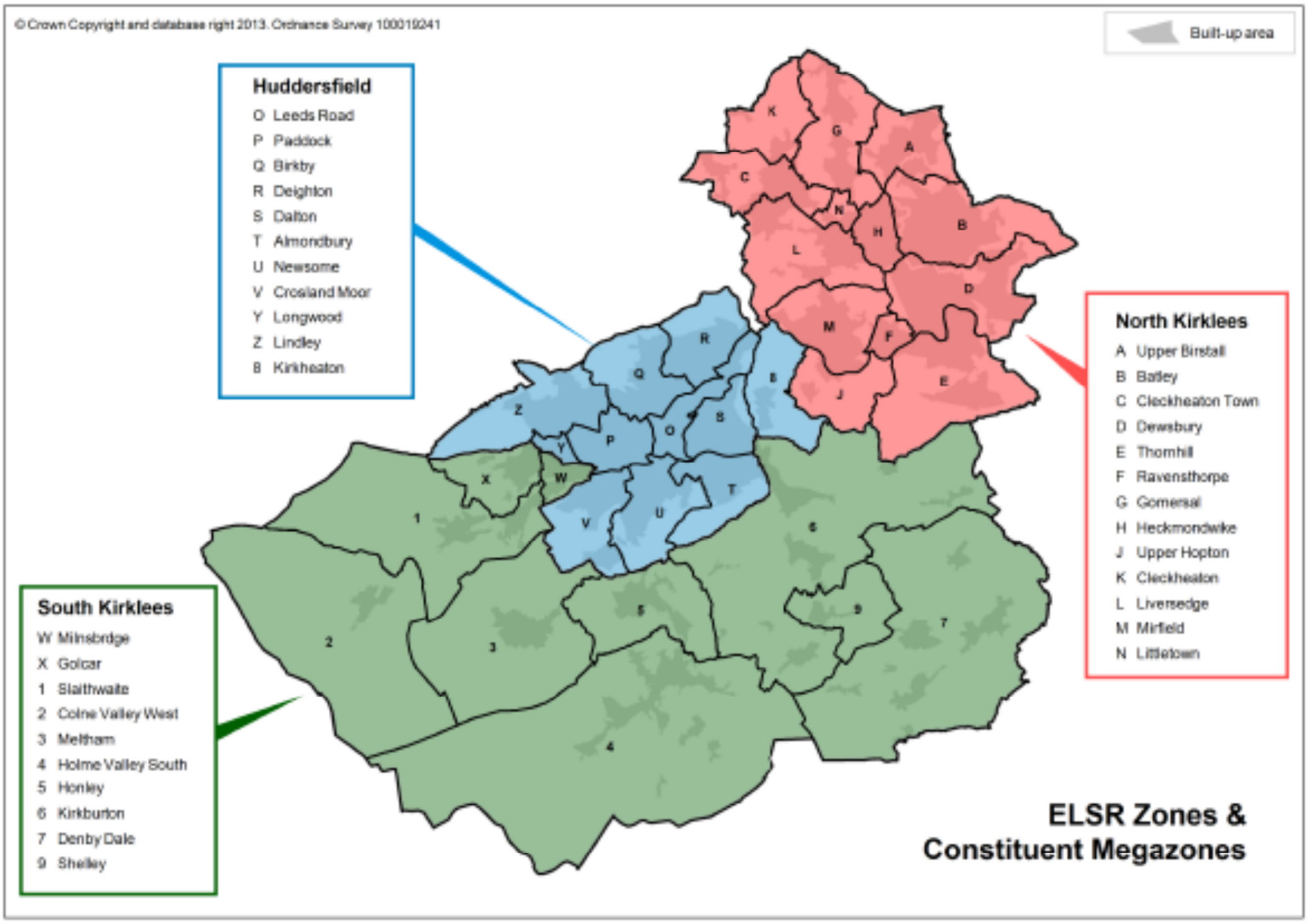
6.20 Understanding the locational requirements is important to ensure future employment site allocations meet these identified needs. In view of this, understanding the economic market areas within the district and how they function has been an important element of this exercise.

6.21 Work was undertaken to identify the different market areas within Kirklees as part of the 'Kirklees Employment Market Strength Assessment' undertaken by Bilfinger GVA. The conclusions of this exercise determined there are three distinct market areas in the district, identified as follows:

- North Kirklees
- Huddersfield
- South Kirklees

6.22 This is consistent with the council's own identified economic market areas which are illustrated in Map 2 below.

Map 2: Kirklees market areas



(Source: Employment Land Supply Review, 2014)

6.23 Based on the work undertaken, Bilfinger GVA concluded that the three market areas have different functions which are:

<u>North Kirklees</u>

- North Kirklees is perceived to have the greatest and most established concentration of employment uses, especially industrial
- North Kirklees is anchored by Birstall, Batley, Cleckheaton and Dewsbury and to a lesser extent Mirfield
- Industrial demand tends to be for accommodation up to approximately 2,800 sq m
- North Kirklees is driven by its proximity to the M62 and the key junctions (J25 – 27). The M62 is a key asset for the district but is not without constraints (of topography)
- Proximity to the M62 / key motorway junctions presents the greatest opportunity to attract strategic demand and therefore national and regional

occupiers. Proximity to the M62 is often stated as the number one requirement of an occupier (5 miles / 5 minutes distance is seen as the limit for some occupiers)

- Accessibility to / from the various key settlements and good onward access via the M62 or other routes is an influencing factor

- A key driver is also the Leeds Road corridor which runs from Huddersfield to Birstall

- The eastern part of the North Kirklees market zone benefits from its proximity to M1

Huddersfield

- Huddersfield is an established hub for the services sector

- Huddersfield represents the main office location in the district

- Office demand tends to be for accommodation up to 100 sq.m. Owner-occupiers, local in nature, are a dominant feature of the market

- Industrial is not a dominant feature of this market zone but the stock that does exist is varied in nature. Major town centres are not well suited to heavier industrial uses. However, in the wider Huddersfield urban area there is evidence to suggest good levels of market activity

- A key driver is Huddersfield's good proximity to the M62 at junction 24

- Huddersfield has a strong draw due to its greater population and amenities including public transport links

South Kirklees

- South Kirklees is considerably more rural in nature with a more limited workforce catchment and poorer strategic access

- The perception from the market is that it caters for local demand, smaller scale businesses and smaller operational requirements

- South Kirklees is less likely to attract strategic demand and national or regional occupiers

- The eastern part of the South Kirklees market zone benefits from the Wakefield Road corridor

6.24 The identification of these market areas has enabled the council to understand their role and function which has been an important consideration in knowing where employment land provision needs to go to respond to the identified need. It has also been an important consideration as part of the review of existing employment allocations, which has helped to understand whether current allocations meet a market requirement or not.

6.25 Although there is a clear indication that Kirklees' current employment stock is restricting the economic growth for the area, it has also been recognised that it does provide for the growth aspirations of the SME operations which remain a significant and important component of the Kirklees economy. However, in order to ensure site allocations in the Local Plan meet the needs of the full range of business types it has been important to review the continued suitability of the existing employment land portfolio and to assess new site options put to the council by site promoters.

6.26 As indicated in paragraph 6.14, the latest employment land supply figure for Kirklees stands at 83.65 hectares. The undeveloped Unitary Development Plan (UDP) employment allocations formed part of this supply and have been assessed to determine their continued suitability through the site allocations process. A number of external and internal technical consultees contributed to this process (a list of those who contributed can be found in the 'Site Allocations Technical Paper'). The following issues were taken into consideration:

- Transport
- Flood Risk
- Environmental Protection
- Biodiversity
- Historic Environment
- Green Belt
- Other Constraints
- Public Health

6.27 The conclusion of this exercise has helped rationalise the current stock and ensure what is retained is fit for purpose, whilst also identifying new site opportunities that will help deliver the strategic priorities for the Kirklees economy. Further information on the methodology applied and the conclusions of the assessments can be found in the 'Part 2 Site Allocations Methodology' technical paper.

7 New Land Requirement

7.1 Following the review of past take-up and the assessment of the current employment land supply, it has been established that the land remaining offers few opportunities to help achieve the overarching economic objectives for the district. Instead, the current supply operates at a much smaller level supporting the expansion of SME operations and for minor new build – which still forms an important component of the Kirklees economy. There has been little significant development in recent years, however, this does not imply a market failure but is more an indication that the right opportunities to bring about more significant development do not currently exist. Enquiries made to the council seeking relocation and expansion opportunities support this conclusion, however in-depth analysis undertaken by Bilfinger GVA has provided more robust evidence in relation to the strength of Kirklees economic market.

7.2 The assessment included a survey of local agents who provided a qualitative overview of the commercial property market in Kirklees. All agents believed that demand for larger sites was evident in the district but the ability to meet this demand was constrained by the lack of well-located high quality employment sites. This view is also an issue nationally where Bilfinger GVA report that:

"Development activity is increasing but developers, occupiers and investors have become more selective. There continues to be a strong preference for quality sites in good locations benefiting from good connectivity, particularly to the strategic road network." (Kirklees Employment Market Strength Assessment, Bilfinger GVA, 2015).

7.3 Bilfinger GVA's survey of local property agents concluded that there is latent demand for industrial land and property in the Kirklees market and this is believed to be locally and regionally led. However, their own findings remain consistent with the outcomes of the historical land take-up and land supply for Kirklees where it has been suggested that

"The true extent of un-met latent demand is considered difficult to determine as the current land supply is seen as very limited with few, if any, oven-ready sites in existence so the true strength of the market remains largely unknown" (Kirklees Employment Market Strength Assessment, Bilfinger GVA, 2015).

7.4 Further evidence has also emerged from the council's own employer surveys. These were undertaken in 2008, 2009, 2011 and 2013 and between them provided consistent evidence in relation to the needs of the districts indigenous businesses. Some of the key findings relevant to the Local Plan indicate that employers within the Kirklees district are predominantly small businesses occupying single site establishments, with the majority operating in the private sector. It is also interesting to note that one in three employers interviewed have been established in the last 5 years and these employers are primarily found in the information/communication sector.

7.5 With regards to the need for land to accommodate expansion and relocation requirements, the responses indicate that 15% of the Kirklees businesses surveyed will require further land in the next 3-5 years. Of those needing more space, 31% will expand at their current location and 57% would move locations. Further analysis of this information shows that the majority of those planning to relocate (73%) will remain in the district. However, it is clear that unless expansions can be accommodated at their current site or within the district, relocation elsewhere is likely.

7.6 Additional land or space is most likely to be needed for warehousing and storage (40% of those requiring more space), with 35% of employers that need more space requiring additional office space. One in six (17%) require more retail space (selling goods and services face to face) and the same proportion require more manufacturing space.

7.7 The survey findings are consistent with the REM forecast, which suggests the greatest need for land will be in wholesale, storage and distribution and manufacturing.

8 Conclusion

8.1 In conclusion, based on the evidence brought together it has been established that the OAN for jobs is 32,200 FTE which equates to a land requirement of 265 hectares. The council and the wider Leeds City Region LEP are committed to boosting the manufacturing sector with particular focus being afforded to the precision engineering and advanced manufacturing sectors. Some large flat sites, with good access to the motorway junctions and proximity to a skilled workforce will be required to deliver on these objectives.

8.2 Through the analysis of past take-up, the employer's survey, enquiries made to the council and the 'Kirklees Market Strength Assessment', it has clearly been demonstrated that Kirklees' current employment land portfolio is insufficient both in terms of quantum and quality. Taking account of past take-up data, the district has seen predominantly minor extension and new builds occur. These have generally served the SME operations within the local economy and limited the opportunity to secure inward investment opportunities and the growth aspirations of the districts larger indigenous businesses.

8.3 In view of this, and in order to deliver the overarching economic objectives for Kirklees, a review of the district's current employment land supply has enabled the council to rationalise this stock to ensure only that which is suitable for modern business and industry operations is retained. This process has resulted in the retention of 44 hectares which have been taken forward in the draft Local Plan.

8.4[2] Taking account of completions, commitments, flexibility allowance and potential windfall there is a need to find 196 hectares of new employment land. As indicated in paragraph 8.3, a total of 44 hectares has been retained following the rationalisation of existing UDP employment sites. This means an additional 152 hectares is required to meet the OAN for jobs and land. In order to meet the overarching economic objectives for Kirklees, it has been important to understand the locational needs of the specific sectors being targeted, gain an understanding of the limitations of the previous supply, and ensure new prime sites are brought forward to address these previous barriers to growth. In view of this, the Local Plan proposes to allocate 148 hectares as new prime employment land to support these growth aspirations. Table 6 below summarises the employment land calculations.

[2] Paragraph 8.4 has been amended to better reflect the conclusions set out in Table 6

Table 6: employment land calculation summary

Meeting the Employment Land Requirement	Hectares
Employment land requirement (based on REIU work)	**265**
Completions – employment land take-up (since 1st April 2013)	-8
Commitments – on land not allocated for employment or mixed use	-21
Supply from previous permissions – on land not allocated for employment or mixed use	-3
10% flexibility allowance	+23
Supply from PEAs (Windfall allowance)	-60
Amount of additional employment land required	**196**
Amount of land allocated	**262**

Appendices

Appendix 1: Use Classes Order

Guide to Use Classes Order in England (30 May 2013)

The table below is intended as general guidance only. Reference needs to be made to the Town and Country Planning (Use Classes) Order 1987 (as amended) and The Town and Country Planning (General Permitted Development) Order 1995 (as amended).

Please feel free to contact NLP should you require advice.

A1 Shops	Shops, retail warehouses, post offices, ticket and travel agencies, sale of cold food for consumption off premises, hairdressers, funeral directors, hire shops, dry cleaners, internet cafes	Permitted change to a mixed use as A1 & up to 2 flats Temporary permitted change (2 years) for up to 150 sq.m to A2,A3,B1 (interchangeable with notification)
A2 Financial and Professional Services	Banks, building societies, estate and employment agencies, professional services (not health or medical services), betting offices	Permitted change to Class A1 where there is a display window at ground floor level and to a mixed use for any purpose within Class A2 & up to 2 flats Temporary permitted change (2 years) for up to 150 sq.m to A1, A3, B1 (interchangeable with notification)
A3 Food and Drink	Restaurants and cafes	Permitted change to Class A1 where there is a display window at ground floor level and Class A2 Temporary permitted change (2 years) for up to 150 sq.m to A1, A2, B1 (interchangeable with notification)
A4 Drinking Establishments	Public houses, wine bars or other drinking establishments	Permitted change to A1, A2 or A3 Temporary permitted change (2 years) for up to 150 sq.m to A1, A2, A3, B1 (interchangeable with notification)
A5 Hot Food Takeaways	For the sale of hot food for consumption off the premises.	Permitted change to A1,A2 or A3 Temporary permitted change (2 years) for up to 150 sq.m to A1, A2, A3, B1 (interchangeable with notification)
B1 Business	a) Office other than a use within Class A2 b) Research and development of products or processes c) For any industrial process (which can be carried out in any residential area without causing detriment to the amenity of the area)	Permitted B1 change to Class B8 subject to total floorspace being no greater than 500 sq.m B1(a)office permitted change to C3 subject to: prior approval process; previous use timings; limitations and exempt areas (until 30.05.16) Temporary permitted change (2 years) for up to 150 sq.m to A1,A2,A3 (interchangeable with notification) Permitted change from B1 to state-funded school (and back to previous lawful use)
B2 General Industry	Industrial process other than that falling within Class B1	Permitted change to Class B1 and Class B8. Permitted change to B8 is subject to total floorspace being no greater than 500 sq.m
B8 Storage or Distribution	Use for storage or as a distribution centre	Permitted change to Class B1 subject to total floorspace being no greater than 500 sq.m

C1 Hotels	Hotels, boarding and guest houses (where no significant element of care is provided)	Permitted change to state-funded school (and back to previous lawful use)
C2 Residential Institutions	Residential accommodation and care to people in need of care, residential schools, colleges or training centres, hospitals, nursing homes	Permitted change to state-funded school (and back to previous lawful use)
C2a Secure Residential Institutions	Prisons, young offenders' institutions, detention centres, secure training centres, custody centres, short term holding centres, secure hospitals, secure local authority accommodation, military barracks	Permitted change to state-funded school (and back to previous lawful use)
C3 Dwellinghouses	Use as a dwellinghouse (whether or not a main residence) by a) A single person or by people to be regarded as forming a single household b) Not more than six residents living together as a single household where care is provided for residents; or c) Not more than six residents living together as a single household where no care is provided to residents (other than use within Class C4)	Permitted change to C4
C4 Houses in multiple occupation	Use of a dwelling house by 3-6 residents as a 'house in multiple occupation' (HMO NB Large HMOs (more than 6 people) are unclassified therefore sui generis	Permitted change to C3
D1 Non-residential Institutions	Clinics, health centres, creches, day nurseries, non-residential education and training centres, museums, public libraries, public halls, exhibition halls, places of worship, law courts	Temporary permitted change (2 years) for up to 150 sq.m to A1, A2, A3, B1 (interchangeable with notification)
D2 Assembly and Leisure	Cinemas, concert halls, bingo halls, dance halls, swimming baths, skating rinks, gymnasiums, other areas for indoor and outdoor sports or recreations not involving motorised vehicles or firearms	Permitted change to state-funded school (and back to previous lawful/use) Temporary permitted change (2 years) to A1,A2,A3,B1 (interchangeable with notification)

NB: Any building in any Use Class (with limitations and conditions) can be used as a state-funded school for 1 academic year.

NB: Where planning permission granted after 5 December, 1988, permitted development rights allow the use to be changed to another use granted permission at the same time for a period of ten years from the date of planning permission: GPDO (1995) as amended Schedule 2 Part 3 Class E.

Sui Generis (uses which do not fall within the specified use classes above)	Includes theatres, large HMO (more than 6 people sharing), hostels, petrol filling stations, shops selling and/or displaying motor vehicles, scrap yards, retail warehouse clubs, nightclubs, launderettes, taxi or vehicle hire businesses, amusement centres, casinos, funfairs, waste disposal installations	No permitted change except casino to D2
Other changes of use	Agricultural buildings	See 2013 GPDO amendment for flexible changes to A1, A2, A3, B1, B8, C1, D2 (subject to limitations and conditions including some prior approval requirements)

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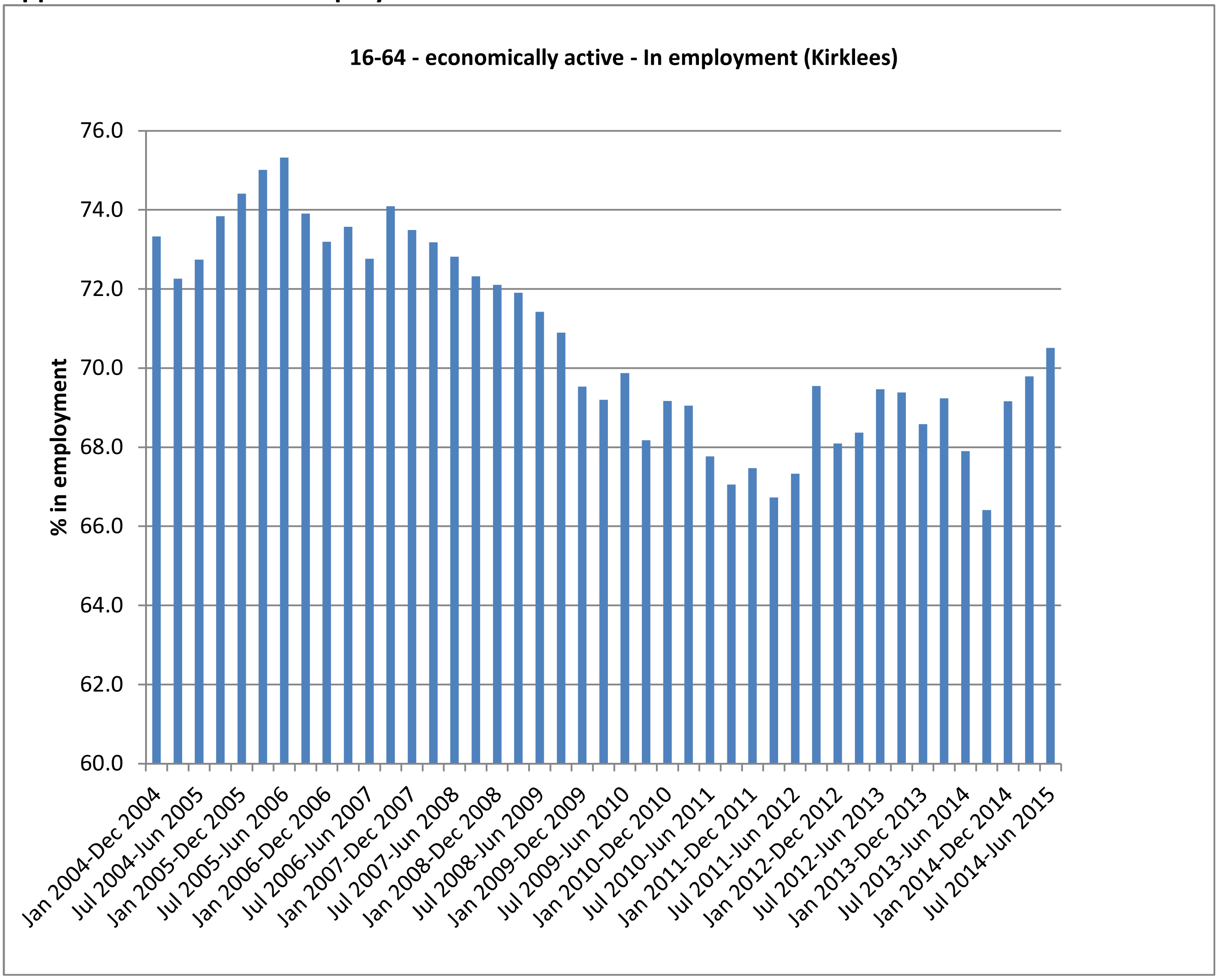
Appendix 2: Kirklees 'in employment' rate 2004 - 2015



(Source: ONS annual population survey, 2015)

Appendix 3: Employment land supply (ELSR 2014)

			South Kirklees			
	North Kirklees (ha)	Huddersfield Area (ha)	Kirburton/ Denby Dale Area (ha)	HolmeValley Area (ha)	ColneValley Area (ha)	Total Area (ha)
AVAILABILITY						
Available	29.86	46.89	00.76	02.63	03.51	**83.65**
Committed	08.07	12.42	00.60	01.81	00.20	**23.10**
Negotiations	00.00	00.00	00.00	00.00	00.00	**0.00**
Expansion	09.03	02.44	00.73	03.01	00.35	**15.56**
Landlocked	00.06	00.00	00.00	00.00	00.00	**0.06**
Constraints	00.50	07.19	01.44	00.00	00.00	**9.13**
STATUS						
Detailed P.P	08.07	10.30	00.09	00.70	00.95	**20.11**
Outline P.P	01.44	23.88	00.00	02.62	00.08	**28.02**
UDP Allocation	35.55	29.87	01.80	02.49	03.47	**73.18**
Others	03.05	04.69	01.62	01.59	00.31	**11.26**
OWNERSHIP						
Council - All	03.19	02.55	00.00	00.00	00.00	**5.74**
Council - Majority	03.22	00.00	00.00	00.00	00.01	**3.23**
Council - Minority	00.00	00.59	00.00	00.00	00.00	**0.59**
OTHER	41.71	65.59	03.51	07.40	04.80	**123.00**
DEVELOPMENT TYPE						
Green Field Site	22.91	40.19	00.34	06.17	00.60	**70.21**
Redevelopment/Brownfield	25.20	28.54	03.17	01.23	04.21	**62.35**
ORIGINAL SITE AREA						
Under 0.4 ha	06.63	05.02	01.53	00.81	00.69	**14.68**
0.4 to 4.99	29.71	29.64	01.98	06.59	04.12	**72.04**
Over 5.0 ha	11.78	34.06	00.00	00.00	00.00	**45.84**
TOTAL	48.12	68.73	03.51	07.40	04.81	**132.56**

Appendix 4: summary table from 2013 employer's survey

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/ Retail G	Transport /Storage H	Accom./ Food Service I	Information/ Comms J	Business Services KLM	Admin Services NO	Other Services PQRS
Unweighted Bases	*1201*	*12*	*125*	*83*	*297*	*62*	*123*	*27*	*132*	*62*	*278*
Grants and loans	33%	10%	**47%**	**50%**	27%	28%	28%	54%	30%	33%	30%
Marketing	28%	6%	26%	29%	25%	22%	**36%**	47%	26%	27%	30%
Finance	22%	3%	23%	**33%**	19%	21%	24%	39%	16%	27%	20%
General Business planning	22%	3%	21%	22%	20%	25%	24%	34%	18%	25%	26%
Statutory Legislation e.g. health and safety	21%	3%	24%	**38%**	15%	25%	23%	24%	12%	23%	24%
Help with developing new markets/exports	21%	9%	24%	27%	18%	19%	16%	36%	19%	21%	19%
Better exploitation of ICT and broadband connectivity	20%	3%	23%	19%	21%	14%	16%	29%	20%	17%	21%
Energy, waste and water efficiency	20%	13%	21%	19%	17%	20%	**39%**	14%	14%	19%	**28%**
Help to take on an Apprentice	19%	6%	**27%**	**31%**	13%	17%	23%	20%	14%	25%	18%
General skills training	17%	3%	19%	**29%**	11%	19%	**25%**	20%	10%	13%	**22%**
Technical training	16%	3%	18%	23%	12%	23%	19%	21%	14%	19%	16%
Help with research and development	16%	3%	**24%**	17%	10%	22%	14%	26%	12%	21%	18%
Sites and/or premises expansion	15%	10%	**21%**	18%	16%	20%	15%	19%	11%	10%	14%
Improving Health of your Workforce	14%	3%	16%	15%	11%	20%	**26%**	17%	10%	13%	16%
Recruitment	14%	3%	17%	15%	10%	17%	14%	21%	12%	17%	14%
Planning and Building regulations	14%	10%	11%	**27%**	10%	21%	13%	9%	15%	9%	11%
Staffing issues	11%	3%	11%	13%	11%	12%	**18%**	14%	5%	13%	14%
Other	2%	0%	0%	1%	3%	2%	3%	0%	3%	2%	4%
None of these	37%	81%	33%	26%	**42%**	44%	42%	24%	34%	34%	35%